AMENDMENTS TO THE CLAIMS

1. (Currently Amended.) A tie-line flow control system comprising;

a computer having a central processor that executes instructions, a memory for storing ~~the~~ instructions to be executed, a means for communicating information; and

at least some of said instructions stored in the memory of the computer causing the central processor to:

receive request bid curves corresponding to at least one selected time interval for transactions from selling entities;

receive demand bid curves corresponding to at least one selected time interval for transactions from purchasing entities;

~~synchronize the request and demand bid curves at a selected time interval;~~

~~between synchronizing intervals, iterate information with the selling and purchasing entities to ensure clearing of supply and demand bids at a clearing time so that tie-line real and reactive power flows on the tie-lines interconnecting the selling entities are the same;~~

determine an optimum set of values for tie-line flows and charges for all regions served by said tie-line flow control system for the at least one selected time interval, where the determination of the optimum set of values is substantially accomplished by minimizing a mathematical expression relating at least inter-regional tie-line flows and a benefit related to the use of tie-line flows occuring in inter-regional transactions;

communicate to the selling and purchasing entities accepted tie-line flow quantities and corresponding prices at ~~the~~ a clearing time; and

ensure that all transactions clear as agreed upon in a previous ~~synchronized~~ at least one selected time interval.

2. (Currently Amended.) The system of claim 1, wherein the ~~clearing of supply and demand bids comprises application of a clearing algorithm minimizing,~~ determination of an optimum set of values is subject to a technical flow law based on conservation of flow of charge. ~~, a sum of:~~

~~deviations between tie-line flow controlled by the selling entities and tie-line flow caused by all transactions;~~

~~a charge related to the price of tie-line flow controlled by the selling entities; and~~

~~a benefit related to the use of tie-line flows and paid by all transactions.~~

3. (Original) The system of claim **1**, wherein the purchasing entities comprise inter-regional transactions.

4. (Original) The system of claim **1**, wherein the selling entities comprise transmission providers, control areas, and independent system operators.

5. (Original) The system of claim **1**, wherein the selling entities comprise control areas only.

6. (Currently Amended.) The system of claim **1** wherein the <u>at least one</u> selected time interval is selected from the group consisting of hourly, daily, weekly, monthly and/or seasonally.

7. (Original) The system of claim **1**, whereby the computer facilitates implementation of transmission contracts for purchasing entities.

8. (Original) The system of claim **1**, whereby the computer provides coordinated reliability management through non-uniform reliability provisions which are a function of the selling entities' regulatory and an optimal tariff structure.

9. (Currently Amended.) Method for tie-line flow control among selling entities by [[an]] <u>a</u> <u>control</u> entity facilitating implementation of transmission contracts for purchasing entities, said <u>control</u> entity executing the steps of:

receiving request bid curves <u>corresponding to at least one selected time interval</u> for transactions from selling entities;

receiving demand bid curves <u>corresponding to at least one selected time interval</u> for transactions from purchasing entities;

~~synchronizing the request and demand bid curves at a selected time interval;~~

~~between synchronizing times, iterating information with the selling and purchasing~~

~~entities to ensure clearing of supply and demand bids at a clearing time so that tie-line real and~~

~~reactive power flows on the tie-lines interconnecting the selling entities are the same;~~

determining an optimum set of values for tie-line flows and charges for all regions served by said tie-line flow control system for the at least one selected time interval, where the determination of the optimum set of values is substantially accomplished by minimizing a mathematical expression relating at least inter-regional tie-line flows and a benefit related to the use of tie-line flows occuring in inter-regional transactions;

communicating to the selling and purchasing entities accepted tie-line flow quantities and corresponding prices at ~~the~~ a clearing time; and

ensuring that all transactions clear as agreed upon in a previous ~~synchronized~~ at least one selected time interval.

10. (Currently Amended.) The method of claim **9**, wherein the ~~clearing of supply and demand bids comprises application of a clearing algorithm minimizing,~~ determination of an optimum set of values is subject to a technical flow law based on conservation of flow of charge. ~~, a sum of:~~

~~deviations between tie-line flow controlled by the selling entities and tie-line flow caused by all transactions;~~

~~the charge related to the price of tie-line flow controlled by the selling entities; and~~

~~the benefit related to the use of the tie-line flows and paid by all the transactions.~~

11. (Original) The method of claim **9**, wherein the purchasing entities comprise inter-regional transactions.

12. (Original.) The method of claim **9**, wherein the selling entities comprise transmission providers, control areas, and independent system operators.

13. (Original) The method of claim **9**, wherein the selling entities comprise control areas only.

14. (Currently Amended) The method of claim **9**, wherein the at least one selected time interval ~~may be~~ is selected from the following group: seconds, minutes, ~~hourly~~ hours, ~~daily~~ days, ~~weekly~~ weeks, ~~monthly~~ months, and/or ~~seasonally~~ seasons.

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15. (Original) The method of claim **9**, further comprising the step of providing coordinated reliability management through non-uniform reliability provisions which are a function of the selling entities' regulatory and an optimal tariff structure.

16. (Canceled.)

17. (Canceled.)

18. (Canceled.)

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